

Remarks on the National Economy

July 31, 2009

Well, I just wanted to say a few words about the economic numbers that we received this morning. The gross domestic product, or GDP, is a measure of our overall economic growth as a nation. This morning the GDP revealed that the recession we faced when I took office was even deeper than anyone thought at the time; it told us how close we were to the edge.

But the GDP also revealed that in the last few months, the economy has done measurably better than we had thought, better than expected. And as many economists will tell you, that part of the progress is directly attributable to the Recovery Act. This and other difficult but important steps that we've taken over the last 6 months have helped us put the brakes on the recession.

We took unprecedented action to stem the spread of foreclosures by helping responsible homeowners stay in their homes and pay their mortgages. We helped revive the credit markets and open up loans for families and small businesses. And we enacted a Recovery Act that put tax cuts directly in the pockets of middle class families and small businesses, extended unemployment insurance and health insurance for those who've lost their jobs, provided relief to struggling States to prevent layoffs, and made investments that are putting people back to work building bridges and roads, schools and hospitals.

Now, I realize that none of this is much comfort to those Americans who are still out of work and struggling to make ends meet. And when we receive our monthly jobs report next week, it's likely to show that we're still continuing to lose far too many jobs. As far as I'm concerned, we won't have a recovery as long as we keep losing jobs. And I will not rest until every American who wants a job can find one.

But history does show that you need to have economic growth before you have job growth. And today's GDP is an important sign that the economy is headed in the right direction and that business investment, which had been plummeting in the last several months, is showing signs of stabilizing. This means that eventually, businesses will start growing, and they'll start hiring again. And that's when it will truly feel like a recovery to the American people.

This won't happen overnight. As I've said before, it took us many more months to fully dig ourselves out of a recession that we now know was even deeper than anyone thought. But I will continue to work every single day and take every step that's necessary to make sure that happens. I also intend to make sure that we don't return to an economy where our growth is based on inflated profits and maxed-out credit cards, because that doesn't create a lot of jobs. We need a robust growth based on a highly educated, well-trained workforce; health care costs that aren't dragging down businesses and families; and clean energy jobs and industries. That's where our future is, and that's where the jobs are.

Now, one of the steps we've taken to boost our economy is an initiative known as Cash for Clunkers. Basically, this allows folks to trade in their older, less fuel-efficient cars for credits that go towards buying fewer, more—newer, more fuel-efficient cars. This gives consumers a break, replaces dangerous carbon pollution and our dependence on foreign oil, and strengthens the American auto industry. Not more than a few weeks ago, there were skeptics who weren't sure that this Cash for Clunkers program would work. But I'm happy to report

that it has succeeded well beyond our expectations and all expectations, and we're already seeing a dramatic increase in showroom traffic at local car dealers.

It's working so well that there are legitimate concerns that the funds in this program might soon be exhausted. So we're now working with Congress on a bipartisan solution to ensure that the program can continue for everyone out there who's still looking to make a trade. And I'm encouraged that Republicans and Democrats in the House are working to pass legislation today that would use some Recovery Act funding to keep this program going, funding that we would work to replace down the road. Thanks to quick bipartisan responses, we're doing everything possible to continue this program and to continue helping consumers and the auto industry contribute to our recovery.

So I'm very pleased with the progress that's been made in the House today on the Cash for Clunkers program. I am guardedly optimistic about the direction that our economy is going. But we've got a lot more work to do. And I want to make sure that all the Americans out there who are still struggling because they're out of work or not having enough work know that this administration will not rest until the movement that we're seeing on the business side starts translating into jobs for those people and their families.

Thank you very much, everybody.

NOTE: The President spoke at 1:23 p.m. in the Diplomatic Reception Room at the White House.

Categories: Addresses and Remarks : Economy, national :: Washington, DC.

Locations: Washington, DC.

Subjects: Economy, national : American Recovery and Reinvestment Act of 2009; Economy, national : Credit markets, stabilization efforts; Economy, national : Recession, effects; Economy, national : Strengthening efforts; Employment and unemployment : Job losses; Employment and unemployment : Unemployment insurance; Energy : Alternative and renewable sources and technologies; Energy : Foreign sources; Environment : Carbon pollution; Health and medical care : Health insurance, protection of coverage; Housing : Foreclosure rates; Housing : Mortgage refinancing regulations; Taxation : Tax relief; Transportation : Highway system, modernization efforts; Transportation, Department of : CAR Allowance Rebate System.

DCPD Number: DCPD200900614.